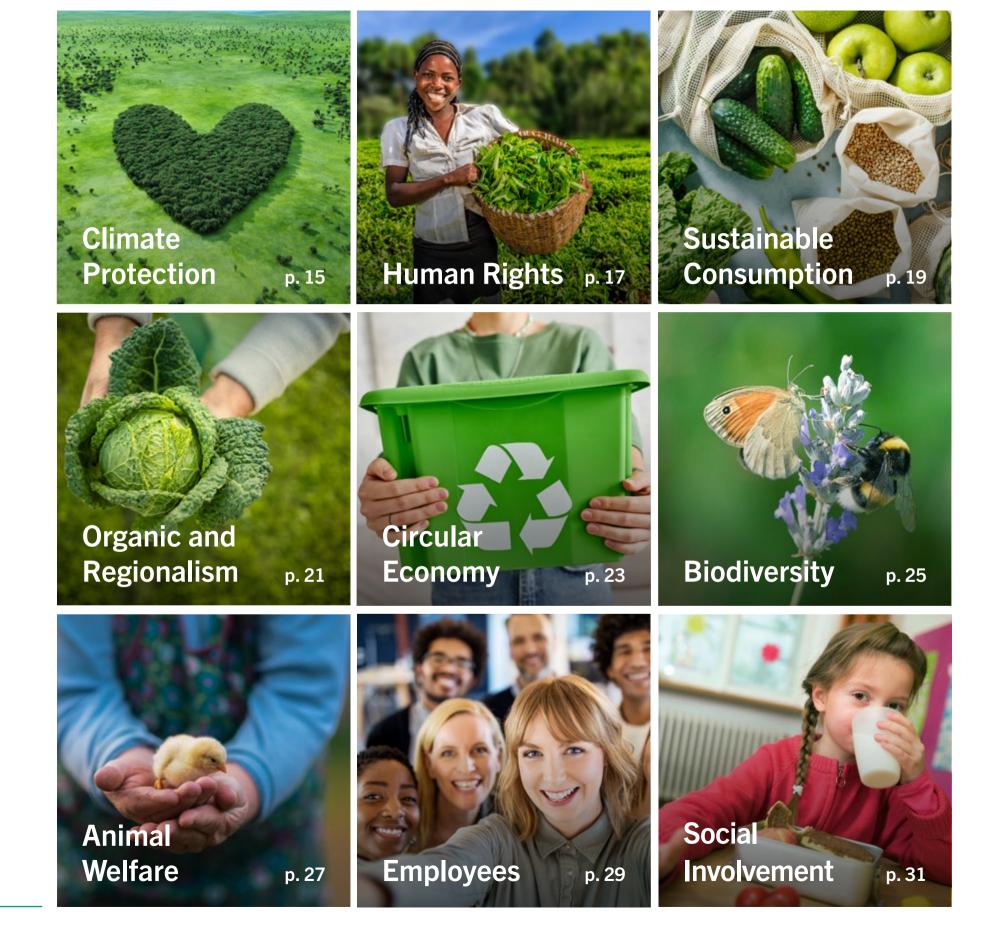


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#### **Foreword**

# Paths to a better future

Ladies and gentlemen,

The world is facing challenges that significantly impact our society and future. Some political developments have direct impacts on the global economy. For example, the abandonment of the Paris Agreement calls into question the sustainability of U.S. climate policy and requires us to seek new ways to combat climate change. Furthermore, the current conflicts in Ukraine, Israel and Gaza highlight the urgency of peaceful solutions and international cooperation.

At the REWE Group, we view the many current changes not only as a clear opportunity to assume responsibility, but also as a driver for innovation and an opportunity for positive developments. We will continue to work with determination to make our contribution through innovative approaches and solidarity. Our commitments in various areas underline our firm will to create a better future.

As the REWE Group, we accompany the daily lives of millions of customers and want to make sustainable and conscious shopping easier. By expanding our range of plant-based foods, regional products and organic products, we want to provide guidance and support responsible consumer behavior. In 2024, we opened "REWE voll pflanzlich" in Berlin, the first purely plant-based supermarket in Germany with over 2,700 vegan products. This innovative concept won the 2025 PETA Vegan Award for Best Vegan Variety.

Our approach also includes a commitment to the science-based climate targets of the Science Based Targets initiative (SBTi), which we joined with the REWE Group in 2024. Our goal as a group is to achieve net zero emissions by 2050. To this end, we strive for drastic reductions in emissions in our own activities and supply chains. We assume responsibility, respect human rights and fair treatment, promote sustainability and act in an environmentally and climate-conscious manner. And: we are committed to a sustainable society.



Our 2024 progress report provides a comprehensive overview of our ongoing commitment across a wide range of areas, from climate protection to human rights.

I hope you enjoy reading.

Yours, Lionel Souque

CEO of the REWE Group

"We see the current challenges primarily as an opportunity for positive change."

**Lionel Souque. CEO of the REWE Group** 

# **Sustainable Corporate Governance**

Sustainability is a key element of our company's strategy.

#### Our sustainability strategy

The principle "We are aware of our responsibility and act sustainably" has been part of our corporate mission statement since 2008. Our guideline on sustainable business practices 

specifies sustainability as a key element of our company's strategy: We take responsibility for our employees, respect human rights in the supply chain and ensure fair treatment with partners and suppliers, promote more sustainable product ranges, act in an environmentally and climate-conscious manner and are committed to a sustainable society. With our sustainability management, we also contribute to the 17 Sustainable Development Goals (see Sustainable Development Goals) of the United Nations.

Our strategy is based on four pillars and their areas of action:

- Green Products:
   People, animals, environment, and nutrition
- Energy, Climate and the Environment:
   Energy efficiency, climate-relevant emissions,
   and conservation of resources

#### Employees:

Values and culture, training and development, health and safety, career and life stages, diversity, and equal opportunities

#### Social Involvement:

Conscious nutrition and exercise, opportunities for children and young people, conscious approach to food, biodiversity, and environmental protection.

In this report, we present our commitment<sup>1</sup> in cross-pillar focus topics.



# We integrate sustainability into all business processes

Overall responsibility for sustainability lies at the highest level with CEO Lionel Souque. In 2023, the HR & Sustainability Management Board department was created, further strengthening sustainability. Since then, the department has been headed by our Chief People and Sustainability Officer, Dr. Daniela Büchel. Cross-sales line working groups help to integrate the four pillars of sustainability of our strategy into all business processes. REWE and PENNY in Germany, the REWE Group in Austria², Lekkerland, toom Baumarkt DIY store and the DERTOUR Group set strategic priorities depending on the business model.

#### We exchange ideas with our stakeholders

When implementing our sustainability strategy, we engage in intensive dialogue with our stakeholders such as suppliers, consumers, business partners, politicians, authorities, scientists, non-governmental organisations (NGOs), employees, the works council, executives and independent retailers. Improvements can only be achieved by working together.

To advocate for our perspective, we actively initiate necessary debates at the local, national, and European level through our Public Affairs department.



#### **Our Sustainability Advisory Board**

An important organ of our stakeholder dialogue is the Sustainability Advisory Board. It consists of five independent experts and representatives of non-governmental organisations and is involved in the development, evaluation, and implementation of the sustainability strategy at REWE and PENNY in Germany. The Advisory Board continuously scrutinises the sustainability measures of the REWE Group, and is a source of ideas, a co-developer, and a communication partner.

# Highlights of our stakeholder communication 2024

■ Dialogue Forum — At our Dialogue Forum at the NRW State Representation in Berlin in April 2024, we sought dialogue with about 70 stakeholders from society, politics and business. This year's keynote speech was given by economist Ottmar Edenhofer from the Potsdam Institute for Climate Impact Research, professor at the TU Berlin and director of the Berlin climate research institute MCC. Here we discussed our climate strategy and possible measures to achieve our goal of achieving net zero emissions as a group by 2050. Another topic on the Dialogue Forum was the innovative pilot project "Forestguard", which was carried out by the Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection (BMUV) in cooperation with the Fraunhofer Institute. This project aims to ensure deforestation-free supply chains and thus implement the legal requirements of the EU Deforestation Regulation (EUDR).

Together with the Fraunhofer Institute for Material Flow and Logistics IML and Schirmer Kaffee GmbH, we are developing an open source solution, initially as an example for tracking the coffee supply chain. The solution combines blockchain technology with other technologies such as artificial intelligence, the Internet of Things and geographic information systems.

■ Grüne Woche (Green Week) — With the Competence Centre for Agriculture founded in 2023, we want to create not only concrete projects but also greater recognition for domestic agriculture and its products, thus moving from a pure value chain to an "appreciation chain". At Green Week fair in early 2025, we presented the "Agricultural Academy > "initiative. The programme brings trainees, employees from stores and administration, top management, and young retailers into various modules on farms to intensively engage with the practical day-to-day operations and challenges of local producers (see focus topic Biodiversity).

#### We keep an eye on opportunities and risks

By investing in transformation and innovation, we can contribute to greater sustainability and, at the same time, offset the expected costs of the negative impact of climate change. We therefore see it as an opportunity to act sustainably.

<sup>&</sup>lt;sup>1</sup> Scope: REWE Combine companies in Germany and Austria, including independent retailers, unless otherwise stated.

<sup>&</sup>lt;sup>2</sup> REWE Group in Austria is part of REWE International AG, which belongs to the German REWE Group and has been responsible for the Group's total international business since 2017. More information at https://rewe-group.at/en/sustainability.

As an international trade and tourism company, we are furthermore exposed to a wide range of risks, including the following climate-related risks:

- physical risks such as storms, droughts, or floods, which can have a negative impact on raw material production and thus on costs in the food and beverage sector. They can also threaten our locations and travel and tourism destinations such as islands, coastal regions, or ski resorts.
- transitory risks such as the requirements of the EU Corporate Sustainability Reporting Directive (CSRD), the Corporate Sustainability Due Diligence Directive (CSDDD) and the German Climate Protection Act.



Our Sustainability-Linked Bond Framework connects our financing strategy with our sustainability strategy. In 2023, we became the first German food retailer to issue a Sustainability-Linked Bond of 900 million euros on the capital market, the terms of which are directly linked to the achievement of our climate targets. The focus is on reducing environmentally harmful greenhouse gas emissions at REWE and PENNY in Germany. Our first Progress Report Navas published in 2024.

With our risk management, we address all risks whilst creating space for positive developments. For more information, see the Group Management Report for the **business year 2024** 7.

#### We take responsibility

As an international trade and tourism company, acting sustainably also means always acting in compliance with the law. Price fixing, the exploitation of market power against suppliers, bribing employees and taking personal advantage can also lead to claims for damages, criminal prosecution, or loss of reputation. Compliance is therefore a basic prerequisite for our sustainable economic success at the REWE Group.

More information on the risks in the supply chain and legal compliance with the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG) can be found in the chapter Supply Chain.

We have anchored integrity and fairness in our business transactions and in our treatment with one another as fundamental values in the **REWE Group Mission Statement**. In our **Supplier Code of Conduct**, we have defined standards of behaviour that are accountable for all employees working on behalf of the REWE Group.

Our Compliance Management System (CMS) prevents violations of legal and internal company regulations. We have also created a compliance programme that includes preventative measures such as risk assessments, whistleblower management systems, business partner audits and training on topics such as compliance, antitrust law, and ethics. In 2024, 37,844 (2023: 23,597) employees were trained.







#### We listen to your compliance alerts

We have various processes and communication channels for critical requests, concerns, grievances, reports, or hints. We have special grievance mechanisms for the relevant supply chains, in particular for focus raw materials and production sites in analysed risk countries. Also see the <a href="Supply Chain">Supply Chain</a> and <a href="Human Rights">Human Rights</a> focus topic chapters.

- Violations of legal requirements or internal regulations, for example, in relation to corruption, can be reported via our group-wide whistleblower system Hintbox (also anonymously), as well as to an external ombudsperson.
- Internally, decentralised Compliance Officers (DCO) and Compliance Delegates are available to employees for compliance issues.
- For information on topics such as respectful behaviour, equal treatment or diversity and equal opportunities, our employees can contact their managers or ombudspersons and the HR department, the Compliance department, the works council, the representatives for people with disabilities and the company's internal LGBTIQ network "di.to". There are also special contact persons for cases of discrimination in all sales lines.

In the event of a suspected compliance case, the issue is investigated by Auditing, Market Auditing, external lawyers or the internal compliance organisation, the results and measures are communicated to the Governance & Compliance department and implemented by the operating units. Whistleblowers receive confirmation of the conclusion.

Further links

Strategy 7

Compliance **对** 

Politics and Public Affairs 7





# SDG 2: Zero Hunger\*

• For food that can no longer be sold, but can be consumed without hesitation, we work together with food banks and the foodsharing organisation. We are committed to reducing food waste by 30 per cent by 2025 and by 50 per cent by 2030. Almost all locations of BILLA, BILLA PLUS, PENNY, BIPA and ADEG in Austria support surrounding social supermarkets (affordable products for low-income earners) and charitable partners with food and everyday goods.



### SDG 5: Gender Equality\*

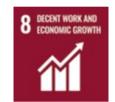
- In our supply chains for private label products, we have formulated specific measures, objectives and requirements in our guideline on women in the supply chain → to protect women and girls at REWE, PENNY and toom Baumarkt DIY stores in Germany and at BILLA, BIPA and ADEG in Austria.
- For our raw materials, we rely on certifications of standards that set requirements for the equal treatment and protection of women.
- We support women in projects to increase their income and train the employees of our strategic production sites on topics such as wages and working hours.
- Within our company, we promote women and ensure equal pay for work of equal value, largely through collective labour agreements.



### SDG 7: Affordable and Clean Energy\*

- We have been using certified green electricity in our stores, DIY stores, warehouses and travel offices in Germany and Austria since 2008. We are the first retailer in Germany to conclude a long-term Power Purchase Agreement for an offshore wind farm. From 2026, 1,500 stores in Germany and Austria will be supplied with electricity from the Borkum Riffgrund 3 wind farm.
- We are increasing our energy efficiency based on our certified energy management systems in all units and by optimising logistics, among other things.
- Since the end of 2024, customers have found approximately 2,000 fastcharging stations in the parking lots of new REWE and PENNY stores in Germany and 490 charging stations at 154 BILLA, BIPA and PENNY locations in Austria.





## SDG 8: Decent Work and Economic Growth\*

- In our group-wide Declarations of Principles ¬, we commit to strengthening human rights and environmental rights and to preventing, minimising and remedying their violation.
- With regard to the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG), we have implemented a group-wide grievance procedure (see <u>Supply Chain</u>), which all potentially affected groups of people can use to report violations of human rights and environmental concerns at any time.
- By 2030, all strategic suppliers and employees of production sites of REWE, PENNY and toom Baumarkt DIY stores' private label products in Germany are to participate in training programmes to specifically reduce negative impacts along the supply chain.

See also focus topic

<u>Human Rights</u>

Sustainable Consumption

See also focus topic

Human Rights

Employees

See also focus topic Climate Protection See also focus topic Human Rights

<sup>\*</sup>The scope includes REWE and PENNY in Germany, deviations are explicitly stated



## SDG 12: Responsible Consumption and Production\*

- We promote organic, vegan and regional private label products and are thus constantly expanding our more sustainable product range.
- We communicate continuously on the topic of sustainability, for example, on our new platform nachhaltigkeit.rewe.de since 2024. There, customers will find comprehensive information, tips for a more sustainable everyday life and insights into REWE's various sustainability projects. Here you can also subscribe to our new sustainability newsletter with information and offers on the topic.
- We have achieved our goal of using 20 per cent less plastic in our private label packaging by 2025 ahead of schedule. After receiving the Blauer Engel (Blue Angel) 2023 award, our reusable alternative "Einfach Mehrweg" (simply reusable), developed by REWE together with SYKELL, was honoured with the "ECR Sustainability Award". At the end of 2024, the concept was awarded the "German Sustainability Award Products 2025".
- We use modern forecasting systems and automated ordering processes to reduce food waste, and also work together with the food bank and the foodsharing organisation (see also SDG 2).
- With the sector project "Klimabewusst reisen" (climate-conscious travel), the DERTOUR Group created a standard for calculating the carbon footprint of a trip, which we now communicate transparently in our offers. In addition, with the industry project "Klimafreundlichere Produktgestaltung" (more climate-friendly product design), we have developed key performance indicators (KPIs) that will be incorporated into the product design of our tours in the future and will consider their climate impact as a criterion.



#### SDG 13: Climate Action\*

- By joining the Science Based Targets initiative (SBTi) in March 2024, we as the REWE Group have committed to sciencebased climate targets based on the 1.5-degree path of the Paris Agreement. As a Group, we want to achieve net zero emissions by 2050. The targets of REWE and PENNY in Germany were validated by the SBTi in December 2024.
- With the "Gemeinsam für mehr Klimaschutz" (Together for more climate protection) initiative, we support private label products suppliers in defining SBTi climate targets and implementing reduction measures. In 2024, we asked over 600 suppliers, who are responsible for about 90 per cent of our product-related emissions from private label products, to set climate targets in accordance with SBTi. Of these, more than 450 suppliers, who are responsible for 87 per cent of our product-related emissions from our private label products, have signed a climate target agreement to set climate targets according to SBTi by the end of 2024.
- Since 2022, REWE in Germany has been supporting the NABU Climate Fund with at least five million euros annually. By the end of 2024, almost 4,000 hectares of peatland in six European countries had been secured for rewetting. Europe's largest moorland renaturalisation project for former agricultural land is currently underway in the Ahlen-Falkenberger Moor in the Cuxhaven district.
- In 2024, we presented the "Förderprogramm Klimaschutz" (Climate Protection Funding Programme) under the umbrella of the Competence Center for Agriculture. We offer our private label suppliers several million euros in co-financing for projects to reduce GHG emissions in the supply chain.
- In 2024, the DERTOUR Group acquired Sustainable Aviation Fuel, which can reduce carbon dioxide emissions by about 80 per cent compared to conventional kerosene, from the Lufthansa Group again as part of a strategic partnership.



### SDG 14: Life Below Water\*

- We rely on standards such as Rainforest Alliance, Fairtrade, Cotton made in Africa® and Naturland. These standards require producers to use water resources sustainably in their processes.
- We are reducing water pollution caused by chemicals through a detox programme for clothing, shoes, and home textiles from our private label products.
- In our guideline on fish and seafood ¬¬, we set requirements for our business partners in the supply chain in terms of sustainable fishing. In addition, we aim to source 100 per cent of our private label fish products¹ (MSC, GLOBALG.AP, ASC, organic certification).
- Since 2020, we have set ourselves the goal of eliminating harmful microplastics and defined synthetic and semi-synthetic polymers in dissolved/gel-like/liquid form from the formulations of our private label cosmetic products. Both objectives were achieved again in 2024 as in 2022 and 2023.



### SDG 15: Life on Land\*

- For wood and paper, we rely on the seals of the Forest Stewardship Council (FSC®), Programme for the Endorsement of Forest Certification Schemes (PEFC™) or the Blauer Engel (Blue Angel) eco-label.
- We will make our supply chains deforestation- and conversionfree by the end of 2025.<sup>2</sup>
- At the beginning of 2025, we switched our entire range of soils at REWE and PENNY in Germany, as well as toom Baumarkt DIY store, to peat-free alternatives. REWE and PENNY have already achieved this objective ahead of schedule in 2024.
- We continually aim to convert our relevant, regional open-air fruit and vegetable products in Germany to biodiversitypromoting cultivation.<sup>3</sup>
- The Biodiversity Foundation "Blühendes Österreich" (Austria in Bloom) which was awarded the prestigious European biodiversity prize Natura Award 2000 in 2022 has been able to preserve or improve threatened ecosystems and biotopes on over 13 million square meters since it began its activities in 2015, with a further ten million square meters to be added by 2030.



See also focus topic

Organic and Regionalism

Sustainable Consumption

Circular Economy

See also focus topic Climate Protection

See also focus topic Biodiversity

See also focus topic Biodiversity

<sup>\*</sup>The scope includes REWE and PENNY in Germany, deviations are explicitly stated.

<sup>&</sup>lt;sup>1</sup> In the frozen, convenience, fresh and tinned food sectors.

<sup>&</sup>lt;sup>2</sup> For our primary high-risk raw materials such as cocoa, coffee, palm oil and soy in animal feed with cut-off date 01/01/2020. Conversion relates to all valuable ecosystems.

<sup>&</sup>lt;sup>3</sup> This statement has been changed to deviate from the objective formulation in the previous year's report. This change is due to insufficient data, partially incomplete methodology and thus difficulty in measuring.

We promote respect for human rights, improved working conditions and fair trade. We want to protect natural resources and preserve biodiversity along the supply chain.

#### We have formulated principles on this topic

As a trading and tourism company, we source products and services from a large number of suppliers and from different global supply chains. As we want to reduce the environmental and social impact of our actions wherever possible, we have:

- formulated the principles of our business relationships in our guideline on sustainable business practices ¬. Among other things, it includes the ban on forced labour, child labour and the protection of biodiversity.

■ committed ourselves in our **Declaration of Principles** <a>⊅</a> to strengthening human and environmental rights preventing their violation, minimising them and taking remedial action in our own business activities and in the global supply chains. Our Group's entities that fall under the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG) have, each published their own **Declaration of Principles** <a>⊅</a>.

With regard to the protection of human rights and environmental goods in the supply chain, we define our expectations towards suppliers in the **Supplier Code of Conduct** 7 which must be observed and complied with in business transactions with REWE Group companies. They should:

- not violate human rights and environmental obligations and pass on the obligations in the upstream supply chain in a binding manner.
- minimise the environmental impact of its business activities, actively implement measures for the promotion of environmental protection and accept and comply with all applicable local and internationally recognised environmental standards and laws.

#### How we identify and deal with risks

To address the impact of our business activities on people, animals and the environment, we follow our four-step management approach for more sustainable supply chains 7.

As part of the implementation of the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG), we have implemented a holistic and continuous risk management system with regard to human rights and environmental care in order to identify risks in our supply chains and in our own business area, take measures to minimise them and review their effectiveness. In addition, it includes these two further stages:

- Grievance mechanism: Employees and other potentially affected groups of people can use our digital grievance system > to report violations against human and environmental rights caused by REWE Group, its subsidiaries or our suppliers at any time. In the sense of an early warning system, both remedial and preventive measures are implemented on the basis of the complaints so that people and the environment can be protected, and violations can be prevented as effectively as possible.
- Dealing with offences: All reports are cleared up with the utmost confidentiality. Discussions with suppliers, complainants and NGOs are part of this clarification process. Measures are developed and initiated based on the results.

#### The objectives we have set ourselves

We set ourselves objectives along the entire value chain. For example, we have made a commitment to scientifically based emissions reduction targets (see focus topic <u>Climate Protection</u>) and want to anchor more animal welfare in our private label supply chains, which include products of animal origin (see focus topic <u>Animal Welfare</u>). Concerning direct suppliers and production facilities in high-risk countries<sup>1</sup> for our private label supply chains of REWE, PENNY and toom Baumarkt DIY store, we also want to:

 fully integrate the strategic production sites and suppliers into a training programme (Capacity Building) by the end of 2030, and



improve access to grievance mechanisms in relevant supply chains by the end of 2025.

We have achieved our objective of fully integrating all relevant food and non-food suppliers of RFE (REWE Far East) into an environmental programme by 2030.

#### Focus on raw materials and services

According to our analyses, the following raw materials food and non-food, and services have the highest environmental and social impact:

- Food: Fruit and vegetables with a focus on bananas, palm oil, cocoa, coffee, fish, meat, soy in animal feed
- Non-Food: Cotton and textiles, wood and paper, peat-free soils, natural stone, Nordmann firs
- Services: Travelling



REWE Group is guided here by the classification of the amfori risk country list.

This risk assessment for countries is based on the World Bank's governance indicators and other indices and is updated annually.

# Seven exemplary supply chains, the challenges and our approach\*

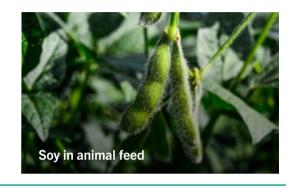
Below we present seven supply chains from our focus raw materials and services as examples and the approach we want to take to address ecological and social impacts.

#### Raw material or service









Origin

Mainly Germany, Spain, Italy or the Netherlands, specialities, and exotics also from South and Central America.

Bananas for REWE and PENNY in Germany mainly come from Ecuador and Colombia or Costa Rica.

Indonesia and Malaysia

Mainly West Africa

Mainly South America

Challenge

pesticide use, water pollution, deforestation, and damage to ecosystems.

Low wages, human rights, and labour rights violations,

Depletion of peatlands and rainforests, loss of biodiversity, carbon dioxide emissions, deprivation of the livelihood of the local population.

Use of sustainably produced palm oil in products such as margarine, cleaning agents and cosmetics.

Private label products at REWE and PENNY in Germany, the REWE Group in Austria and Lekkerland in Germany are 100 per cent RSPO1-certified. The REWE Group has been a founding member of the Forum for Sustainable Palm Oil since 2013.

Smallholder cocoa farmer families often live below the poverty line, frequent cases of child labour.

Area-intensive cultivation, clearing of rainforest, soil erosion, use of herbicides.

#### **Approach**

- Prioritise regionality where possible.
- Since 2013, obligations of suppliers to comply with ILO core labour standards by framework contract.
- Commitment to living wages in the banana sector within INA AG (Initiative for Sustainable Agricultural Supply Chains).
- All producers of banana and pineapple that are offered in the REWE Group's sales lines in Germany must be Rainforest Alliance certified or fulfil organic standards to some extent. PENNY also sells Fairtrade organic bananas in Germany.
- Promotion of biodiversity in fruit and vegetable cultivation through projects.
- Specifications on the use of pesticides include the list of particularly critical active substances of the Pesticide Action Network (PAN; March 2021), the list of PFAS of the European Chemicals Agency (ECHA) and cooperation with standards such as GLOBALG.A.P., Rainforest Alliance or Fairtrade.

- 99 per cent (2023: 98 per cent) of raw cocoa for our private label products comes from more sustainable production structures in accordance with the Fairtrade (product seal, raw material seal), Rainforest Alliance, Naturland and EU organic standards. We are aiming for 100 per cent.
- The private label cocoa in the REWE Group in Austria and Lekkerland<sup>2</sup> in Germany is also certified according to Rainforest Alliance and Fairtrade.
- All chocolate products, as well as instant cocoa, nut nougat spreads, sweet biscuits and all organic private label products with cocoa ingredients have been fully Fairtrade certified (product seal, raw material seal) since 2018.3

- We want to achieve 100 per cent deforestation- and conversion-free soy in animal feed supply chains for our private label range by the end of 2025.4
- The REWE Group in Austria uses exclusively GMOfree feed from Europe for its private labels "Ja! Natürlich" (Yes! Naturally) and the "Fair zum Tier" (Fair to the Animal) product range.

<sup>\*</sup> The scope includes REWE and PENNY in Germany, deviations are explicitly stated.

<sup>1</sup> Roundtable on Sustainable Palm Oil.

<sup>&</sup>lt;sup>2</sup> Applies exclusively to sweets at Lekkerland in Germany

<sup>&</sup>lt;sup>3</sup> At REWE and PENNY in Germany and the REWE Group in Austria and Lekkerland in Germany.

<sup>4</sup> With cut-off date 01/01/2020. Conversion relates to all valuable ecosystems. Definition of the affected product groups in preparation.

# Seven exemplary supply chains, the challenges and our approach\*

#### Raw material or service







Origin

Mainly grown in India, China and the USA

China and India. 60 per cent of the natural stone at toom Baumarkt DIY stores comes from China. The most important provinces are Fujian, Shandong, and Liaoning.

Worldwide

Challenge

Water-intensive cultivation, high use of pesticides and fertilizers, human and labour rights violations.

Dust pollution, contaminated waste water, high risk of accidents at work, risk of child labour.

Environmental and climate impacts, risk of violation of children's rights, encroachment on habitats or cultures.

Approach

Seals such as Cotton made in Africa® (CmiA), Global Organic Textile Standard (GOTS), "Grüner Knopf" (Green Button) and Global Recycled Standard (GRS): The proportion of textiles made from more sustainable cotton in the private label products of REWE, PENNY and toom Baumarkt DIY stores in Germany is 100 per cent. Applies to toom Baumarkt DIY store:

- Cooperation with independent experts from the NGO Vertifix
- Seamless tracking of the supply chain from natural stone to the quarry.
- Independent monitoring of compliance with social and ecological criteria.
- 100 per cent of the natural stone from China listed at toom Baumarkt DIY stores are XertifiX PLUS-certified.

Applies to the DERTOUR Group:

- Member of the German travel industry's sustainability initiative Futouris e.V. since 2015, which includes implementation of projects to reduce food waste, climate-conscious travel and human rights impacts.
- Founding member of "KlimaLink e. V." (ClimateLink) with the aim of recognising the climate impact of travelling on the product (carbon footprint) through an industry-wide standard. This will be possible for flights in 2025.
- Strategic partnerships with the Lufthansa Group and offering more climate-friendly air travel through the use of Sustainable Aviation Fuels (SAF).
- In 2024, the DERTOUR Group awarded more sustainable offers from the tour operators DERTOUR, ITS and Meiers Weltreisen with the new "engage people & planet" logo. In addition, 55 per cent of our own hotels are certified according to the internationally recognized sustainability criteria of the Global Sustainable Tourism Council (GSTC).

**Further links** 

Human Rights 7

**Declaration of Principles** 

Grievance mechanism **オ** 

Cooperation with stakeholders 7

Guidelines 7

Progress Report 2023 ↗

<sup>\*</sup> The scope includes REWE and PENNY in Germany, deviations are explicitly stated.

# **Objectives and KPIs**

Climate Protection . Human Rights . Sustainable Consumption . Organic and Regionalism . Circular Economy Biodiversity - Animal Welfare - Employees - Focus Raw Materials and Products

As REWE Group, we have defined key figures and clear objectives to make progress measurable and measures adjustable. The most important ones are presented below according to our nine focus topics in this Progress Report. Since raw material production and processing products are highly relevant in terms of sustainability, they are

summarised separately. We illustrate the target status with symbols. Where data on the degree of target attainment has been collected, we have also included this information, even though we generally round these figures in the 2024 Progress Report. Where the decimal place contributes to a better understanding of progress, we have included it.



#### Climate Protection

Торіс	KPI/Objective	Status 2022	Status 2023	Status 2024	Measures
Group-wide green- house gas emissions	We want to achieve net zero emissions as a Group by 2050, with a focus on drastically reducing emissions in our own activities and in our supply chains.	_	C	C	See focus topic <u>Climate</u> <u>Protection</u>
Greenhouse gas emissions (GHG) at corporate level	We aim to reduce our GHG emissions for Scope 1 and 2 by 42% by 2030 compared to 2021.1	-6.7%	C 1.1%	C -8.9%	
Electricity consumption	We will reduce electricity consumption per square metre of sales area by 10% in 2030 compared to 2019.1	C -6.7%	C' -7.5%	-5.2%	
Fossil heat demand	We will reduce the consumption of fossil fuels, including district heating, at corporate level by 20% by 2030 compared to 2019.1	C -6.2%	C -14.2%	C -11.9%	
Energy consumption	Total energy consumption in GWh <sup>1</sup>	6,822	6,665	6,899	
Stores according to the DGNB e. V. (German Sus- tainable Building Council) standard	Stores completed according to DGNB e. V. (German Sustainable Building Council) requirements (green building). <sup>2</sup>	371	398³	448	
	Objectives achieved				
Climate targets with suppliers	We require all strategic suppliers responsible for 75% of our product-related emissions from our private label products to set SBTi climate targets by the end of 2024.4	C	C	<b>~</b>	

<sup>1</sup> Scope, with one change to previous year's reports: All consolidated companies of the REWE Group that were part of the group in 2024, excluding units that left the group before the financial year. Self-employed retailers are no longer included in the figures and have therefore been adjusted retroactively for 2021 to 2023, as they do not fall under Scope 1 and 2 according to the Corporate Sustainability Reporting Directive (CSRD) and SBTi. This adjustment of the accounting methodology, including the associated update of the emission factors and an improvement in the data basis, explains the increase in the value compared to the previous year.



# **Human Rights**

Торіс	KPI/Objective	Status 2022	Status 2023	Status 2024	Measures
Grievance mech- anism	We will improve access to grievance mechanisms in the relevant supply chains by the end of 2025.1	C	C	C	See focus topic <u>Human</u> Rights
Training programme for better working conditions	We will integrate our strategically relevant production sites and strategically relevant suppliers of our private label products into our Capacity Building Training Programme by the end of 2030. <sup>2</sup>	C	C	C	riigitto
Proportion of production sites in	Onboarding stage	1.1%	1.1%	0.1%	
the stages of the Social Improvement Programme <sup>2</sup>	Audit stage	98.9%	98.9%	99.9%	

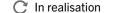
<sup>&</sup>lt;sup>1</sup>Scope: REWE and PENNY in Germany. the REWE Group in Austria. toom Baumarkt DIY store and the DERTOUR Group.

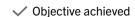


# **Sustainable Consumption**

Торіс	KPI/Objective	Status 2022	Status 2023	Status 2024	Measures
Food waste	We are reducing food waste in our stores <sup>1</sup> by 30% by 2025 and	C	C	C	See focus topic Sustainable
	by 50% by 2030.	C	C	C	Consumption

<sup>&</sup>lt;sup>1</sup> Scope: REWE and PENNY in Germany





<sup>&</sup>lt;sup>2</sup> Scope: REWE Group in Germany.

<sup>&</sup>lt;sup>3</sup> Retrospective adjustment of the figure to the previous year due to a data correction.

<sup>&</sup>lt;sup>4</sup> Scope: REWE and PENNY in Germany.

<sup>&</sup>lt;sup>2</sup>Scope: REWE and PENNY in Germany, as well as toom Baumarkt DIY stores, Calculation based on the number of production sites; includes the last production site in risk countries of private label suppliers of REWE. PENNY and toom Baumarkt DIY stores in Germany for food and non-food products. Figures for non-food importers not collected due to a process change.



# **Organic and Regionalism**

Торіс	KPI/Objective	Status 2022	Status 2023	Status 2024	Measures
Organic	Share of organic products <sup>1</sup> in the net sales value of our organic private labels and manufacturer labels in the net sales value of private labels and manufacturer labels. <sup>2, 3</sup>	7.6%	7.5%	8.0%	See focus topic Organic and Regionalism
	Share of net sales value for organic private label products <sup>1</sup> in the net sales value of private label products. <sup>2, 3</sup>	14.6%	14.6%	15.5%	-
	Share of REWE organic <sup>1</sup> net sales value of "REWE Bio" and "REWE Bio + vegan" in the net sales value of REWE private labels <sup>3</sup> products.	17.2%	16.6%	17.9%	
	Share of PENNY Naturgut <sup>1</sup> net sales value of "Naturgut" in the net sales value of PENNY's private labels <sup>3</sup> products.	7.6%	8.1%	8.6%	-
Regional concept	Number of items <sup>3</sup> from REWE Regional at REWE stores in Germany excluding REWE Dortmund.	9364	9444	930	-

 $<sup>^{\</sup>rm 1}$  Shares excluding near and non-food, to bacco, and alcoholic drinks.  $^{\rm 2}$  Scope: REWE and PENNY in Germany.

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# **Circular Economy**

Торіс	KPI/Objective	Status 2022	Status 2023	Status 2024	Measures
Packaging	We are making all private label packaging more environmentally friendly by the end of 2030. <sup>1</sup>	C	C	C	See focus topic Circular
	We will double the range of multiple use packaging and unpackaged products for private label products	C	C	C	Economy
	by the end of 2025 compared to 2021. <sup>2</sup>		22.1%	22.1%	
	We will achieve an average recyclate content of 30% in private label packaging by the end of 2025. <sup>2</sup>	C	C	C	
	We will achieve 100% recyclable plastic packaging in our private label products by the end of 2025. <sup>2</sup>	C	C	C	
	Objectives achieved				
Packaging	We are reducing the amount of plastic in our private	<b>~</b>	<b>~</b>	<b>~</b>	
	label packaging by 20% by the end of 2025 compared to 2015. <sup>2</sup>	-26.1%	-21.8%	-22.3%	
	We will increase the recyclate content in single use PET beverage bottles for private label products to an	C	<b>~</b>	<b>~</b>	
	average of 50% by the end of 2023.2	47.2%	50.8%	51.3%	+

<sup>1</sup> Scope: REWE Group in Germany (REWE, PENNY, toom Baumarkt DIY store), since 2019 including the international sales lines (BILLA, BILLA PLUS, PENNY and ADEG).

 $<sup>^{\</sup>rm 3}$  Only articles of which more than 1.000 units have been sold.

<sup>4</sup> Changes and corrections to previous year's reporting: By revising the previous year's data up to and including 2022, articles that were not previously recorded are now taken into account.

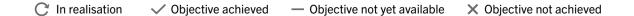
<sup>&</sup>lt;sup>2</sup> Scope: REWE and PENNY in Germany.



### **Biodiversity**

Торіс	KPI/Objective	Status 2022	Status 2023	Status 2024	Measures
Ecosystem protection	We will preserve and/or improve a further ten million square meters of threatened ecosystems or biotopes	C	C	C	See focus topic
protection	in Austria by 2030.1	10.6	11.0	13.2	Biodiversity
	Objectives achieved				
Biodiversity	We are creating or improving 9 million square meters	<b>~</b>	<b>~</b>	<b>~</b>	
measures in fruit and vegetable cultivation	of annual or perennial flower strips by 2025 (since the start of the project in 2009). <sup>2, 3</sup>	13.6	16.0	18.2	
	We will plant 30,000 woody plants (trees, hedges and shrubs) by 2025. <sup>2,4</sup>	C	<b>~</b>	<b>~</b>	-
		26,300	31,900	90,000	
	We will install 20,000 nesting aids by 2025.2	<b>~</b>	<b>~</b>	<b>~</b>	
		21,300	22,700	27,700	
Peat-free soils	We are converting our total soil range to peat-free by 2025.5	C	C	<b>~</b>	
				100%	
Environmental protection in the	We integrate all relevant food and non-food production sites for private label products into an environmental	<b>~</b>	<b>~</b>	<b>~</b>	
supply chain	programme by the end of 2030.6	100%	100%	100%	

<sup>&</sup>lt;sup>1</sup> Accumulated protected areas of nature conservation value through the work of the "Blühendes Österreich" (Austria in Bloom) Foundation in square metres up to the end of the respective financial year. In 2023, the objective to preserve and/or improve 20 million square meters of threatened ecosystems and biotopes in Austria by 2030 was defined.







# **Animal Welfare**

Торіс	KPI/Objective	Status 2022	Status 2023	Status 2024	Measures
Fresh meat	100% of our fresh meat (beef, pork and poultry) for our private label products will be sourced from at	C	C	C	See focus topic
	least husbandry system standard 3 by the end of 2030. <sup>1,2,3</sup>	7.7%	9.0%	14.6%	Animal Welfare
	100% of our fresh meat (beef, pork and poultry) for our private label products will be sourced from at	C	C	C	
	least husbandry system standard 2 by the end of 2025. <sup>1,2</sup>	70.4%	71.0%	74.7%	
Processed meat products	100% of our processed meat products (beef, pork and poultry) will be sourced from at least husbandry	C	C	C	
products	system standard 2 by the end of 2025. <sup>1,4</sup>	49.0%	69.9%	82.5%	
Drinking milk	100% of our drinking milk for private label products will be sourced from at least husbandry system	C	C	C	
	standard 3 by the end of 2030.1	15.2%	54.5%	86.6%	
	100% of our drinking milk for private label products will be sourced from at least husbandry system	C C C			
	standard 2 by the end of 2025.1	15.2%	54.5%	98.3%	
Fresh milk	100% of our fresh milk for private label products comes from Austria and Germany since the end of	~	~	C	
	2021.1	100%	100%		
Fish	In the long term, we aim for 100% tracking codes on the packaging of our fish mono articles for private	C	C	C	
	label products. <sup>1,5</sup>	95.6%	91.4%	93.7%	
	We want to offer 100% certified private label fish products in the frozen and convenience segments,	C	C	C	
	fresh and canned according to the Marine Steward- ship Council (MSC), GLOBAL G.A.P., Aquaculture Stewardship Council (ASC) or organic certification, if available. <sup>1</sup>	86.5%	86.6%	84.4%	
	Objectives achieved				
German source	Almost 100% of fresh pork for private label products comes from German sources(5xD). <sup>1,7</sup>	<b>~</b>	<b>~</b>	<b>~</b>	
	SSINGS From Gorman Sources(OND).	100%	100%	100%	

<sup>&</sup>lt;sup>1</sup> Scope: REWE and PENNY in Germany.

<sup>&</sup>lt;sup>2</sup> Scope: REWE and PENNY in Germany.

<sup>&</sup>lt;sup>3</sup> New calculation basis since 2022: since the start of the project, representation of all flowering areas ever created or upgraded, i.e. perennial and annual flowering areas, some of which are not permanent. Approximately 6.8 million square meters will remain in 2024.

<sup>&</sup>lt;sup>4</sup> Correction to previous year's reports during the course of the project, the number of hedges was changed from square meters to specimens. There was an error in the calculation formula, which has now been corrected. Significantly more hedges were planted than communicated in recent years.

<sup>&</sup>lt;sup>5</sup> Scope: REWE and PENNY in Germany, as well as toom Baumarkt DIY stores.

<sup>&</sup>lt;sup>6</sup> Scope: REWE and PENNY in Germany, as well as toom Baumarkt DIY stores (only applies to own imports via REWE Far East).

<sup>&</sup>lt;sup>2</sup> Self-service and service counter, including (regional) meat programmes.

 $<sup>^{\</sup>rm 3}$  Including unprocessed frozen chicken.

<sup>&</sup>lt;sup>4</sup> Sausage (self-service and service counter), including canned, frozen and convenience with a meat content of more than 50%, excluding specialities from abroad.

<sup>&</sup>lt;sup>5</sup> Fish products containing only one type of fish and excluding convenience, snacks and ready meals.

<sup>&</sup>lt;sup>6</sup> The decline of 3.7% is explained by the new purchase of a corresponding proportion of organic milk from Denmark.

<sup>&</sup>lt;sup>7</sup> Except organic, REWE Feine Welt, foreign specialities, Butcher's, pork fillet, by-products.



# Employees<sup>1</sup>

Торіс	KPI/Objective	Status 2022	Status 2023	Status 2024	Measures
Gender ratio	We will achieve a balanced gender ratio in executive	C	C	C	See focus topic
	positions by 2025.	45.5% female	45.4% female	44.9% female	Employees
		54.5% male	54.6% male	55.1% male	
Internal staffing	We will increase the internal appointment of executive positions to 80% by 2025.	C	C	C	-
		75.3%	75.3%	71.5%	
Training quota	We will maintain the trainee ratio of 5.4% (trainees as a proportion of the total workforce in full-time	~	C	C	-
	equivalents) until 2025.	5.5%	5.3%	5.3%	
Accidents	We will reduce the number of accidents per 1,000 full-time equivalents to 43.5 by 2025.	C	C	C	_
	1,000 full time equivalents to 43.5 by 2025.	47.3 49.0 50.3	50.3		
	Objectives achieved				
Jobs for disabled	We will maintain the quota per capita <sup>2</sup> of jobs for	<b>~</b>	<b>~</b>	<b>~</b>	
people	people with disabilities at a minimum level of 3.0% by 2025.	3.0%	3.1%	3.1%	

<sup>&</sup>lt;sup>1</sup> Scope: REWE Group in Germany and Austria including independent retailers.

C In realisation ✓ Objective achieved — Objective not yet available X Objective not achieved





# **Focus Raw Materials and Products**

Topic	KPI/Objective	Status 2022	Status 2023	Status 2024	Measures
Cocoa	The cocoa in our private label products has been	×	×	×	See chapter Supply Chair
	certified since the end of 2020.1	99%	98%	99%	<u>oupply offull</u>
Теа	100% of our herbal and fruit tea products (with at	C	C	C	_
	least 30% certified raw materials) are certified by the end of 2025. <sup>1</sup>	96%	95%	97%	
	100% of our black and green teas for our private label	<b>~</b>	C	C	-
	products have been certified since the end of 2020.	100%	97%	99%	
	Objectives achieved				
Palm oil	Our palm (kernel) oil for private label products is	<b>~</b>	~	~	
	100% RSPO-certified. <sup>2</sup>	100%	100%	100%	_
	We have been purchasing 100% at least segregated certified palm (kernel) oil since 2018 and 100% at	×	<b>~</b>	<b>~</b>	
	least mass balanced certified fractions and derivatives since 2020. <sup>1</sup>	99%	100%	100%	_
Cocoa	Our chocolate items and sweet biscuits for private	<b>~</b>	~	~	
	label products have been 100% Fairtrade certified since the end of 2020. <sup>1,3</sup>	100%	100%	100%	_
Coffee	Our private label coffee products have been Rainforest Alliance, organic or Fairtrade certified since	<b>~</b>	<b>~</b>	<b>~</b>	
	the end of 2020.	100%	100%	100%	_
Soy in animal feed	100% of the fresh milk and UHT milk, the fresh egg	<b>~</b>	<b>~</b>	<b>~</b>	
	product range and fresh poultry meat from our private label products contain the seal of "Lebensmittel ohne Gentechnik e. V." (food without genetic engineering) (VLOG) or an organic certification. <sup>1</sup>	100%	100%	100%	
Cotton and textiles	All cotton textiles from our private label products will	~	~	~	-
	be certified according to Cotton made in Africa® or GOTS by the end of 2025.4	100%	100%	100%	_
Wood and paper	All private label wood and paper products in the non-	C	~	~	_
	food sector are Blauer Engel (Blue Angel), FSC Recycled, PEFC Recycled, FSC 100%, PEFC™ or FSC Mix certified by the end of 2025.¹	99%	100%	100%	_
Nordmann firs	The proportion of Nordmann firs from fair harvest	<b>~</b>	<b>~</b>	~	
	practices of "Fair Trees" is 100%.5	100%	100%	100%	

 $<sup>^{\</sup>rm 1}\,\mbox{Scope:}$  REWE and PENNY in Germany.

<sup>&</sup>lt;sup>2</sup> The quota of jobs for disabled people (disabled and severely disabled people) is calculated per capita and therefore has a different basis for calculation than the mandatory employment quota for severely disabled people in accordance with Section 154 SGB IX (Germany). This calculation was chosen in order to be able to determine a standardised key figure across countries (Germany and Austria). People with disabilities are defined in accordance with Section 2 of the German Social Code (SGB) (Germany) and the Disability Employment Act (BEinstG) (Austria).

<sup>&</sup>lt;sup>2</sup> Scope: REWE and PENNY in Germany, Austria and Lekkerland Germany.

<sup>&</sup>lt;sup>3</sup> Include the product groups chocolate bars, pralines, Easter and Christmas confectionery. Nut-nougat spreads and instant cocoa cannot be automatically identified as part of this survey and are therefore not included in the reporting scope.

<sup>&</sup>lt;sup>4</sup> Scope: REWE and PENNY in Germany, as well as toom Baumarkt DIY stores.

<sup>&</sup>lt;sup>5</sup> Scope: toom Baumarkt DIY stores in Germany.

# **Together for more** climate protection

We want to make a measurable contribution to mitigate global warming.

#### Commitment

■ By joining the Science Based Targets initiative (SBTi) in March 2024, we as REWE Group have committed to sciencebased climate targets based on the 1.5-degree path of the Paris Agreement.

# **Objectives**

- Our goal as a Group is to achieve net zero emissions by 2050. We focus on drastically reducing emissions in our own activities and in our supply chains (Scope 3), where 98 per cent of our greenhouse gas emissions occur.
- We are committed to reducing our GHG emissions by 2030 compared to the base year 2021 as follows:
  - absolute Scope 1 and Scope 2 greenhouse gas emissions by
  - absolute Scope 3 non-FLAG greenhouse gas emissions by
  - absolute Scope 3 FLAG greenhouse gas emissions by 30.3 per
- We will make our supply chains deforestation- and conversionfree by the end of 2025.3

You can find more information on our objectives and their achievement in our overview of Objectives and KPIs.3

cut-off date 01/01/2020. Conversion relates to all valuable ecosystems.



<sup>&</sup>lt;sup>1</sup> Non-FLAG emissions are emissions resulting from purchased goods and services, capital goods, upstream transport and sales, as well as the use of products sold. The target framework also includes

land-related emissions and withdrawals from bioenergy feedstocks.

<sup>2</sup> FLAG emissions are greenhouse gas emissions caused by land use, land use change, forestry and agricultural activities. The target includes FLAG emissions and samplings.

<sup>3</sup> For our primary high-risk raw materials such as cocoa, coffee, palm oil and soy in animal feed with

#### What we are doing specifically

To achieve our reduction targets, we are pursuing numerous measures, both at corporate level and along our supply chains.



With the "Gemeinsam für mehr Klimaschutz" (Together for more climate protection) initiative, we support private label products suppliers in defining SBTi climate targets and implementing reduction measures. In 2024, we asked over 600 suppliers, who are responsible for about 90 per cent of our product-related emissions from private label products, to set climate targets in accordance with SBTi. Of these suppliers, more than 450 of them, who are responsible for 87 per cent of our product-related emissions from our private label products, have signed a climate target agreement to set climate targets according to SBTi by the end of 2024.

In 2024, we presented the "Förderprogramm Klimaschutz" (Climate Protection Funding Programme) under the umbrella of the Competence Center for Agriculture. We offer our private label suppliers several million euros in co-financing for projects to reduce GHG emissions in the supply chain.

We are constantly expanding our vegan private label product ranges, which, compared to similar animal products, save emissions during production. We will also make our sales and service packaging more environmentally friendly by the end of 2030 (see focus topic: Circular Economy).

At the corporate level<sup>3</sup> we are reducing our consumption of fossil fuels, including district heating, by 20 per cent by 2030 compared to the base year 2019. In 2024, our logistics department tested the use of electric and hydrogen driven lorries, for example, in store delivery.

At the DERTOUR Group, we are working to make emissions from travel transparent. In 2024, we also acquired Sustainable Aviation Fuel (SAF) from the Lufthansa Group again as part of a strategic partnership. In 2023, we were the first major organizer to take this step. With SAF made from biogenic residues, carbon dioxide emissions can be reduced by about 80 per cent compared to conventional kerosene.



#### Full wind power ahead

We have been using certified green electricity in our stores, DIY stores, warehouses, and travel offices in Germany and Austria since 2008. We were the first retailer in Germany to conclude a long-term Power Purchase Agreement for an offshore wind farm. From 2026, 1,500 stores in Germany and Austria will be supplied with electricity from the Borkum Riffgrund 3 wind farm.

# Our successes\*

#### What we have already achieved

We are successfully promoting climate protection and decarbonisation through our own initiatives or projects with partners such as NABU. We also combine our financial strategy with our sustainability strategy.

**€ 900 million** In 2023, we became the first German food retailer to issue a so-called Sustainability-Linked Bond worth 900 million euros on the capital market, the terms of which are directly linked to the achievement of our climate targets for REWE and PENNY Germany. The first **Progress Report 7** on this topic was published in July 2024.

Since 2022, REWE in Germany has been supporting the NABU Climate Fund with at least five million euros



annually. By the end of 2024, almost 4,000 hectares of peatland in six European countries had been secured for rewetting. Europe's largest moorland renaturalisation project for former agricultural land is currently underway in the Ahlen-Falkenberger Moor in the Cuxhaven district. More on this subject can be found in the focus topic Sustainable Consumption.

By joining the SBTi in July 2023, REWE and PENNY Germany had already committed to scientifically based reduction targets along the entire value chain. These targets were validated by the SBTi in December 2024.

We more than halved our GHG emissions related to sales areas at the corporate level in Germany and Austria between 2006 and 2021.

Since 2008, 448 stores (2023: 398) have been created in Germany in accordance with the green building criteria of the German Sustainable Building Council; 183 (2023: 175) are under construction or in planning. In addition, there are now eleven warehouses of this type, with ten more in planning or under construction. toom Baumarkt DIY store has 18 green buildings. In Austria, in 2024 we replaced a more than 30-year-old BILLA store in Vienna-Donaustadt with a modern, climate-resilient new building, which is now the REWE Group's most sustainable store building in Austria. In addition, 42 BILLA stores had

Greenpass certification for their climate-resilient construction at the end of 2024. By the end of 2026, we want to add 30 more.

At the beginning of 2025, we switched our entire range of soils<sup>4</sup> to peat-free alternatives. REWE and PENNY already achieved this goal ahead of schedule in 2024.

Together with the Berchtesgadener Land dairy, we support PENNY and the "Zukunftsbauer" (future farmer) project with every sale of a Zukunftsbauer product to help farmers make their farms more climate-friendly. From 2021 to 2024, with almost two million euros, we were able to initiate or implement about 700 measures for energy storage, generation, and efficiency improvement on family-run farms in the Alpine region.

#### Vegan diversity

In Germany, REWE offers over 1,800 purely plant-based private label and branded products.<sup>5</sup> In Austria, the BILLA and BILLA PLUS product range includes 1,792 purely plant-based private label products.<sup>6</sup> With its Food for Future private label products, PENNY has created a purely plant-based product range with almost 180 items<sup>7</sup> in its product range.

#### **Further links**

Area of action climate protection >

REWE and the NABU Climate Fund >

Our guidelines 7

<sup>\*</sup>Scope: REWE and PENNY in Germany; deviations are explicitly stated.

<sup>&</sup>lt;sup>1</sup> Scope: REWE and PENNY in Germany and the REWE Group in Austria.

<sup>&</sup>lt;sup>2</sup> Scope: Private label products at REWE and PENNY in Germany, toom Baumarkt DIY stores, BILLA, BILLA PLUS, PENNY and ADEG in Austria

<sup>&</sup>lt;sup>3</sup> Scope: REWE Group in Germany. With one change to previous year's reports: All consolidated companies of the REWE Group that were part of the group in 2024, excluding units that left the group before the financial year.

<sup>&</sup>lt;sup>4</sup> Scope: REWE and PENNY in Germany, as well as toom Baumarkt DIY stores.

<sup>&</sup>lt;sup>5</sup> Without fruit and vegetables. Change for 2023 reporting from 1,400 to over 1,800 products due to a definition adjustment in our protein strategy.

<sup>6</sup> A system update allows us to access an improved database, leading to an adjustment and increase of the figures communicated in the previous year

<sup>&</sup>lt;sup>7</sup> 78 items listed and about 100 items on offer.

# Together for human rights and fairness

We want to strengthen human rights and improve working conditions and fair trade in our supply chains.

#### Commitment

- In our **Declaration of Principles**  $\nearrow$ , the REWE Group is committed to strengthening human and environmental rights and to preventing, minimising and remedying violations of these rights.
- With a view to human rights and environmental protection in the supply chain, we set out our expectations of suppliers in the Supplier Code of Conduct. This Code of Conduct must be observed when conducting business transactions with REWE Group companies.

# **Objectives**

For the supply chains of REWE and PENNY private label products in Germany, as well as toom Baumarkt DIY stores, the DERTOUR Group, and the REWE Group in Austria

• we will improve access to grievance mechanisms by 2025.

In the supply chains of the private label products of REWE and PENNY in Germany, as well as toom Baumarkt DIY stores

- we will integrate all strategic production sites and strategic suppliers into our Capacity Building Training Programme by 2030.¹
- we are testing approaches to ensure living wages and incomes in projects until 2025 and upscaling them if successful.

You can find more information on our objectives and their achievement in our overview of Objectives and KPIs.



#### What we are doing specifically

Human rights are not negotiable for us. They are the aim of our measures — right down to the global supply chains. We act according to the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG). Our human rights officer monitors and evaluates the implementation.



We are involved in alliances, standards, and initiatives such as amfori, Cotton made in Africa, the "Forum Nachhaltiger Kakao" (German Initiative on Sustainable Cocoa) and the "Grüner Knopf" (Green Button), as well as in agreements such as the "International Accord for Health and Safety in

the Garment Industry". We participate in the "Working Group of the German Retailers for Living Wages and Income" of the Initiative for Sustainable Agricultural Supply Chains (INA).

Our strategic suppliers use the EcoVadis sustainability platform. On basis of the results, further development measures are agreed and trainings are held (see also successes).

In our factory improvement training, we support strategic suppliers and production sites in establishing internal grievance mechanisms and train them on topics such as health and safety, wages and working hours, and ethical recruitment with a focus on women.

As part of an industry initiative, the DERTOUR Group is offering training courses for its partners on human rights due diligence in the travel and tourism value chain.

#### **Alliance for Grievance Systems**

By the end of 2025, the REWE Group intends to support the development of grievance mechanisms in relevant supply chains. In addition to introducing its own grievance channel in 2023, REWE in Germany is participating in the development of appellando, an initiative to develop an international grievance management system for retailers and their suppliers. In 2024, appellando launched its industry-wide grievance system for the fruit and vegetable sector in Spain.



# Our successes\*

#### What we have already achieved

The implementation of human rights due diligence throughout the entire value chain is an ongoing process. We continue to analyse the risks on an ongoing basis and adapt our measures accordingly (see the <u>Supply Chain</u> chapter).



Since 2023, we have been continuously informing our employees about the core content of the LkSG through the intranet and, since 2024, also in our group-wide compliance training

and the new apps for store employees at REWE and PENNY. An internal e-learning programme on the obligations of the LkSG is also available for the purchasing departments of the two sales lines.

The expectations placed on our suppliers to fulfil their corporate due diligence obligations under the LkSG have been integrated into our Supplier Code of Conduct and communicated to our strategic suppliers.



We have defined **guidelines** → with requirements and objectives based on risk analyses for focus raw materials such as palm oil, coffee, cotton or natural stone and therefore firmly integrated social issues into our procurement processes. Our targets for purchasing certified focus raw materials have been met or nearly met (see the <u>Supply Chain</u> chapter). In 2024, we developed a training programme for our suppliers on the EcoVadis sustainability platform, and selected strategic suppliers also completed intensive EcoVadis training.

99 All food and non-food Tier 1 production sites in risk countries are integrated into our social improvement programme. 99.9 per cent of those sites have a recognised social audit (2023: 98.9 per cent).

In 2024, the DERTOUR Group was recognised as a "Top Member" by The Code initiative (protection of children's rights in the tourism industry) for its commitment to child protection, including its **Policy Statement on Child Safeguarding 7.** 

#### Fairtrade **₹** – decades-long partnership

In 1993, the Fairtrade-labelled "Pedro coffee" was the first product to be listed nationwide in our REWE supermarkets. Today, consumers can find one of the widest Fairtrade product ranges in Germany in our REWE stores. At PENNY, we have also been offering Fairtrade food for more than fifteen years and are continually expanding our product range with Fairtrade-certified products. In Austria, we also rely on our partnership with the standard to improve the living and working conditions of producers — and have been doing so for more than two decades.



**Further links** 

Supplier Code of Conduct **↗** 

Our guidelines 7

**Declaration of Principles ₹** 

<sup>\*</sup> Scope: For the supply chains of REWE and PENNY private label products in Germany and toom Baumarkt DIY stores. Deviations are explicitly stated.

Together for sustainable consumption

Sustainability has been an integral part of our business for over 15 years — and is no longer a niche topic. The objective now is to anchor sustainability in consumers' everyday lives on a permanent basis.

#### Commitment

- Sustainable consumption is a major lever for transformation. As the REWE Group with several million customer contacts per week, we are aware of this fact. We want to inspire consumers for more sustainable products and services and facilitate informed purchasing decisions.
- We want to contribute to a balanced diet.
- We are committed to acting ecologically, responsibly and with the conservation of resources in mind.

# **Objectives**

- We are continuing to expand our range¹ of more sustainable products and services such as our vegan and organic product ranges (see focus topics Climate Protection and Organic and Regionalism).
- We continuously optimise the nutritional values in our private label recipes.
- By joining the Pact Against Food Waste, we are committing to reducing food waste in our stores by 30 per cent by 2025 and by 50 per cent by 2030.<sup>2</sup>
- We want to promote product innovations through strategic startup collaborations and, in the long term, build a FoodTech network that encompasses sustainable and innovative food technologies.

You can find more information on our objectives and their achievement in our overview of Objectives and KPIs.



<sup>&</sup>lt;sup>2</sup> Applies to REWE and PENNY in Germany, all product ranges.

#### What we are doing specifically

We want to enable consumers to make informed purchasing decisions. That's why we use every opportunity to integrate sustainable consumption into their everyday lives with credibility, transparency, and a target-group-specific approach.



We promote a more balanced diet by constantly reviewing and optimizing the nutritional values in relevant private label recipes. This also applies to the REWE Group in Austria.

We want to design our product ranges according to the Planetary Health Diet and are consistently increasing the proportion of plant-based products in the REWE and PENNY stores in Germany and at BILLA in Austria. Where possible, without sacrificing quality or taste, we are also considering switching to plant-based ingredients.

We reduce food waste, for example, through preventative measures such as forecasting systems or by giving away food that is no longer saleable, but still edible to partners such as food banks (see successes). We also sell organic fruit and vegetables with minor

visual blemishes under the "Naturgut Bio-Helden" (organic heroes) from PENNY in Germany and as "Wunderlinge" (marvels) at BILLA, BILLA Plus, PENNY, ADEG and Sutterlüty in Austria.

Since the beginning of 2025, our employees have had the opportunity to gain insights into the everyday lives of local producers through our new practical programme "Agricultural Academy ?" run by the Competence Center for Agriculture. This training and direct dialogue not only sharpen mutual understanding, but also provide important insights for customer service in the markets.



As part of its "Bewusst Reisen" (Conscious Travel) programme, the DERTOUR Group is awarding more sustainable offers from the tour operators DERTOUR, ITS and Meiers Weltreisen with the new "engage — people & planet" logo,

which depicts a dark green leaf in the shape of a heart. This label identifies hotels that are certified according to the internationally recognized sustainability criteria of the Global Sustainable Tourism Council (GSTC). The catalogue portfolio includes around 1,800 hotels with the "engage" logo.



#### Making sustainability tangible

We continuously communicate on sustainability, for example, in campaigns such as "Good Food" at BILLA in Austria or "Näher dran" at REWE in Germany in 2024. These campaigns demonstrate how deeply rooted REWE is in its customers' regions through long-term partnerships with local suppliers and its commitment to regional animal welfare. An interactive map shows consumers which producers supply their region. At the end of 2024, toom Baumarkt DIY stores, for example, highlighted in its stores how its customers can build and live without pollutants. The topic of healthy living was discussed in cooperation with Blauer Engel (Blue Angel).

# Our successes\*

#### What we have already achieved

With our commitment — also together with partners — we are driving the transformation in society.

1,800 2024 was a successful year for our plant-based product ranges. According to YouGov (formerly GfK), PENNY became the market leader for vegan products in the discount segment, while REWE led the market for vegan products and had the best product availability according to the NGO ProVeg. REWE also received the V Label Award for the "REWE Beste Wahl Hummus with Pine Nuts" in the spreads and dips category. Our plant-based product range at REWE includes over 1,800 products.¹ BILLA PLUS in Austria was once again named "Supermarket of the Year" in the Greenpeace Market Check. In four of eight product range categories, including nut-nougat spreads, ketchup and pork, the supermarket chain was at the top according to organic criteria.



#### We like to be first

In 2024, we opened "REWE voll pflanzlich" in Berlin, the first purely plant-based supermarket in Germany with over 2,700 vegan products. The concept was awarded the PETA Vegan Award 2025 for best vegan diversity. In Austria, BILLA PFLANZILLA was the first supermarket with a purely plant-based product range. We are one of the first food retailers to invest in the FoodTech sector and have collaborated with startups such as Infinite Roots, Planet A Foods, Project Eaden and Formo in 2024. With the first social media community "Plant-Base", REWE has created a platform that promotes the exchange of ideas about plant-based nutrition.

We have managed to introduce Nutri-Score<sup>2</sup> for all private label products subject to labelling requirements in Germany — for better consumer orientation and more conscious nutrition.

In 2024, we again sold an annual average of 98 per cent of groceries at REWE and PENNY in Germany. All those that can no longer be sold, but can be safely consumed are donated free of charge by REWE since 1996 and PENNY since 2007 to over 970 food bank initiatives nationwide or to partners such as foodsharing e. V. In Austria, almost all BILLA, BILLA PLUS, PENNY, BIPA and ADEG locations support surrounding social supermarkets (cheap products for low-income earners) and charitable partners with food and everyday goods.

In 2024, the REWE Group in Austria introduced digital billing in the "jö Bonus Club" app at BILLA, BILLA PLUS, BIPA, PENNY and ADEG, saving energy, paper and emissions. As early as 2023, REWE in Germany was the first food retailer to stop paper advertising by switching to digital leaflet advertising. In addition, REWE has been offering digital receipts since 2023.

#### Moor is more

REWE raises customer awareness of the importance of moors for climate protection. Over 1,000 products from REWE Bio and REWE Beste Wahl carry the NABU climate protection label - and every purchase supports the NABU Climate Fund. By the end of 2024, around twelve million euros had been used to for the rewetting of peatlands.

#### **Further links**

Nutri-Score **↗** 

Our guidelines 7

Study on sustainable consumption >

Sustainability at the REWE Group >

<sup>\*</sup> Scope: For the supply chains of REWE and PENNY's private label products in Germany. Deviations are explicitly stated.

<sup>&</sup>lt;sup>1</sup> Without fruit and vegetables. Change for 2023 reporting from 1,400 to over 1,800 products due to a definition adjustment in our protein strategy.

<sup>2</sup> Scope: All processed private label products from REWE and PENNY in Germany. Private label products that are not subject to labelling are not relevant.

# Together for organic and regionalism

We want to constantly inspire people to buy more sustainable products and thus offer a continuously growing range of sustainable products — from organic to regional and local products.

#### Commitment

- We act responsibly and conserve resources to ensure the regenerative capacity of the natural resources we use.
- We acknowledge our responsibility and create the framework conditions to promote local business.

# **Objectives**

- We are pursuing the strategic objective of expanding our sustainable product range. Organic products are essential for this objective.
   In doing so, we also support the new German federal government's planned organic strategy.
- We want to promote local value creation through the continuous expansion of regional products.
- With REWE we want to achieve the highest organic sales share in German food retailing by 2025.

You can find more information on our objectives and their achievement in our overview of Objectives and KPIs.



#### What we are doing specifically

Organic and regional products are an important pillar of our sustainability and product range strategy. We are therefore consistently promoting their expansion.



We have strong partners. In Germany, REWE has been cooperating with the organic farming group "Naturland" since 2009 and PENNY since 2023. REWE has also been a member of the Bio-Verband Demeter (Demeter organic association) since 2020. As REWE, we joined NABU's "Gemeinsam Boden gut machen" (Making up ground together) project in 2021. It has been supporting farmers in converting from conventional to organic farming since 2015. In 2024, we supported 17 farms, bringing the total to 119 since 2015.

**33,000** We support regional producers and suppliers in Germany for example, with the "DEW" in Germany, for example, with the "REWE Local Partnership" for fruit and vegetables, dairy products, meat and sausage. REWE and PENNY work with over 33,000 local producers – that's one in ten businesses in Germany. In addition, there are 49 local cooperations for drinking milk and dairy products, which are offered in over 331 markets. In the asparagus and strawberry sector, our retailers work with more than 850 farms.

In 2024, the origin label "Gutes aus Deutscher Landwirtschaft" (Good Things from German Agriculture) (GDL) was introduced across all product groups. It identifies products produced and processed in Germany. The REWE Group in Germany signed an industry agreement with the Central Coordination of Trade and Agriculture (ZKHL) at the end of 2023. We are continuously working to ensure that as many PENNY products as possible in Germany are awarded this label. At REWE, products that do not already carry a stricter seal of origin such as the "Regionalfenster", are awarded this label.

# Our successes\*

#### What we have already achieved

Regional products are highly valued by consumers, and organic products have become mainstream. We are responding to this trend with our more sustainable offerings.



"Columbus Regional" brand, Since 2014, we have been labelling a total of 1,708 items at REWE and PENNY in Germany<sup>1</sup> (2023: 1,781<sup>1</sup>) with the "Regionalfenster" seal.



We are also strengthening local partnerships at BILLA and BILLA PLUS. The regional private label for fruit and vegetables at BILLA, BILLA PLUS and Sutterlüty in Austria is called "Da komm ich her" (I come from here).

#### Appreciation chain

Appreciation in the value chain: We can achieve this with our three-party agreements. In October 2024, the first tripartite contract in the milk sector in Germany was concluded with PENNY and the cooperation "Die faire Milch x milprima". This means that dairy farmers receive the difference between the dairy's base price and the Milk Marker Index (MMI) per litre



of milk sold. In January 2025, REWE followed suit with Tönnies Lebensmittel, as well as farmers from Schleswig-Holstein and the "Landbauern Schwein" (Country Farmers' Pig) programme based on husbandry system level 3. In this way, we bring farmers, food retailers and industry together on an equal footing – for transparent and fair pricing, greater animal welfare and sustainability, and a strengthened domestic agriculture.



certified.

In Germany, no other food retailer offers more different private label products in Naturland quality or that of another organic association than REWE. Almost half of Naturland the REWE Bio organic product range is now Naturland-

With over 3,200 items for REWE and over 7502 items for PENNY, we have the largest selection of organic products in the German food retail sector. Our Bavarian "Wegbereiter" (Trailblazer) concept from REWE, which was introduced as an exclusive brand in 2023 and supports farmers in their transition to organic farming, was fully integrated into the REWE Bio organic product line in 2024.



With REWE Bio, we have the largest organic private label range in the German food retail sector (around 1,100 items); we also operate the largest organic greenhouses in the country.



In 2024, PENNY in Germany was able to increase its organic sales across all product groups by more than 8.5 per cent (2023: 12.8 per cent).

Our app "Logl" was rolled out nationwide in 2024. It promotes and simplifies direct cooperation between retailers, farmers and manufacturers, thus bringing regional food to the markets.

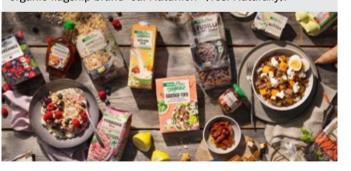


Lekkerland was able to increase its organic sales by 24 per cent across all product groups compared to 2023. Lekkerland currently offers an organic product range consisting of 378 products.

The range of organically grown plant products at toom Baumarkt DIY stores comprised 338 products in 2024 (2023: 294).

#### We celebrate organic

Organic products have been an important pillar of our sustainability strategy for over three decades. For exactly 15 years, we have been cooperating with Naturland as a pioneer in the German food retail sector to ensure controlled organic quality. In August 2024, PENNY celebrated the tenth anniversary of its organic private label "Naturgut". And the REWE Group in Austria celebrated its 30th birthday in 2024. Birthday of our organic flagship brand "Ja! Natürlich" (Yes! Naturally).



**Further links** 

Regionalism at the REWE Group >

Guideline on organic products **↗** 

# Together for the circular economy

We want to avoid the waste of resources, achieve the reuse of packaging and products and close material cycles through high-quality recycling.

### Commitment

■ We are committed to the efficient use of natural resources such as soil, air, water and raw materials.

# **Objectives**

- We strive to reduce the consumption of resources in the value chain of our products through circular economy and thus make a positive contribution to the environment and climate protection.
- By the end of 2030, we aim to make 100 per cent of all private label packaging at REWE, PENNY and toom Baumarkt DIY stores in Germany, as well as BILLA, BILLA PLUS, PENNY and ADEG in Austria more environmentally friendly.

You can find more information on our objectives and their achievement in our overview of Objectives and KPIs.



#### What we are doing specifically

In implementing our circular economy strategy for REWE and PENNY in Germany and toom Baumarkt DIY stores, we rely on the three principles of Reduce, Reuse and Recycle.



We drive innovative solutions and standardisation for the circular economy and packaging with our own initiatives and partners, such as NABU, the GS1 standard development network, the Recyclate-Initiative, and the global Consumer Goods Forum industry network.

**EINFOCH** 

MEHRWEG

We rely on reusable solutions and were the first food retailers in Germany to introduce an open, scalable system for reusable to-go packaging at REWE and Lekkerland.

"Einfach Mehrweg" (simply reusable) uses the return structures such as deposit machines and has been awarded the Blauer Engel (Blue Angel) Award, the ECR Sustainability Award 2023 and the German Sustainability Award Products 2025.

We save on packaging materials, dispense with packaging components (such as plastic lids) and rely on reusable solutions. We are increasing the average recyclate content in packaging in various product ranges - for example, in drinks (see successes), drugstores and paint buckets at toom Baumarkt DIY stores.

We test packaging-free options: In 2023 and 2024, for example, REWE in Germany piloted refill stations for dry goods such as rice and cereals from REWE Bio. BILLA in Austria has also been testing refill stations with over 100 unpackaged organic products in two stores since 2022.



#### Reusable packaging needs politics

Reusable packaging has the potential to change the packaging world in Germany and significantly reduce resource consumption and the climate impact of packaging. We support political projects to promote reusable alternatives so that reusable packaging becomes a genuine substitute for disposable packaging and a turnaround can be felt across the industry. As prerequisites are required, we set out what they could be in a position paper 7 together with NABU in 2023. For example, the standardisation of reusable containers and pool reusable systems could be used to further develop ecologically beneficial, customer-friendly reusable systems that can be implemented in retail.

# Our successes\*

#### What we have already achieved

In the packaging area, the focus is on reusable and unpackaged products.



785,424 At PENNY in Germany, we are the only food retailer to date to use reusable instead of disposable crates for our Bio-Helden bananas. At toom Baumarkt DIY store, we are increasingly using reusable pallets instead of disposable plant pallets. In 2024, 785,424 disposable pallets were replaced by their use in the plant sector.

Since April 2020, REWE has been selling organic fruit and vegetables nationwide without plastic or with improved packaging wherever possible. Since 2021, REWE Group in Austria has been offering all of its fruit and vegetables from its private label "Ja!

Natürlich" and "Echt B!O" (Truly Organic) without packaging, loose or with improved packaging. We also constantly review the use of raw materials and our product and process design in order to save materials and close loops.



We have achieved our target of using 20 per cent less plastic in private label packaging by 2025 compared to 2015 ahead of schedule. In 2024, we were at -22.3 per cent (2023: -21.8 per cent).

#### Delivery in reusable deposit bags

Since June 2024, REWE's purchases in Germany will no longer be delivered to customers in paper bags, but in reusable deposit bags that, apart from the handles and the printing film, are made of at least 70 per cent recycled material. This saves 40 million paper bags every year – and with it significant amounts of resources such as trees, water and energy.



#### **Further links**

Areas of action packaging >

Reusable packaging needs politics >

**Guideline on Circular Economy ₹** 

Guideline on more eco-friendly packaging >

# Together for more biodiversity

We want to preserve and promote biodiversity — for a good climate, clean water, growth and good harvests.

#### Commitment

- We are committed to the goals of the UN Convention on Biological Diversity.
- We integrate the protection and promotion of biodiversity into our sustainability management as part of our membership of the "Biodiversity in Good Company 7" initiative and the "Food for Biodiversity" association.

# **Objectives**

- We continually aim to convert our relevant, regional open-air fruit and vegetable products in Germany to biodiversity-promoting cultivation <sup>1</sup>
- With the "Blühendes Österreich" (Austria in Bloom) foundation, we want to preserve and/or improve a further ten million square meters of threatened ecosystems and biotopes in Austria by 2030.

You can find more information on our objectives and their achievement in our overview of Objectives and KPIs.



#### What we are doing specifically

In order to conserve natural resources and protect and promote biodiversity along our supply chains, we are working on projects to create spaces for biodiversity and restore damaged ecosystems.



To protect biodiversity, we focus on purchasing raw materials according to certified standards such as organic, Rainforest Alliance or Marine Stewardship Council (MSC).

We rely on cooperation. With our partner NABU, we support farmers in converting to organic farming with the project "Gemeinsam Boden gut machen" (Making up ground together) (see focus topic Organic and Regionalism) since 2021. Additionally, REWE has



been supporting the rewetting of peatlands in Germany with the NABU Climate Fund (see focus topic <u>Climate Protection</u>) – as a habitat for many animal and plant species and as a carbon sink – since 2022.

90,000 In our biodiversity project, we work with farmers to increase biodiversity on conventional fruit and vegetable farms – e.g. with flowering strips (see successes). By 2024, over 90,000 (2023: 31,900)¹ trees, hedges and shrubs had been planted and more than 27,700 (2023: 22,700) nesting boxes and aids for birds, bats and insects had been installed.

We sell insect-friendly plants at REWE and toom Baumarkt DIY stores that serve as pollen supplier for honey bees, bumblebees and wild bees and nectar plants for butterflies. At the end of 2024, the product range comprised 145 items (2023: 125).



We are reducing the pesticide level in fruit and vegetables, as well as plants at toom Baumarkt DIY store and avoid products containing glyphosate. toom Baumarkt DIY store regularly replaces products based on an external pesticide risk assessment; since 2024, new products have also been assessed using this process. At REWE and PENNY, we are adding 24 additional active ingredients — based on the proposal of the European Chemicals Agency (ECHA) to regulate PFAS as a plant protection product — which we are banning or limiting to a maximum of 25 per cent of the legal maximum values.



#### We drive the sector forward

We are a founding member of the "Food for Biodiversity" association. This first industrywide alliance aims to anchor



the protection of biodiversity in the food industry right upstream in the value chain.

# Our successes\*

#### What we have already achieved

We have the greatest influence on the protection of biodiversity with our private label products.



18 million Since 2010, we have created or enhanced 18 million (2023:

15.98 million) square metres of flower strips in Germany with our biodiversity project — the oldest and largest in the German food retail sector.<sup>2</sup> The Biodiversity Prize Foundation "Blühendes Österreich" (Austria in Bloom) — which was awarded the prestigious European biodiversity prize Natura Award 2000 in 2022 — has been able to preserve or improve threatened ecosystems and biotopes on over 13 million square meters since it began its activities in 2015, with a further ten million square meters to be added by 2030.



We cooperate with over 540 fruit and vegetable farms to promote biodiversity.

Since 2020, we have been working together with the Polish bird protection society OTOP and farmers in Grojec to increase biodiversity. In Poland's largest apple growing area, flower strips are being planted and insect hotels and bird houses are being set up.

All conventional bananas and pineapples at REWE and PENNY Germany are certified by Rainforest Alliance or Fairtrade.<sup>3</sup>

Since 2015, toom Baumarkt DIY stores have been the first German DIY stores to remove all products containing glyphosate and pesticides that are particularly harmful to bees from its product range. The REWE Group in Austria is constantly working to reduce the pesticide levels in conventional fruit and vegetables. The Pesticide Reduction Programme (PRP), developed jointly with the environmental organization GLOBAL 2000, has been running here since 2003.

#### Our potting soil is peat-free

Since 2024, we have only been selling peat-free potting soil at REWE and PENNY in Germany, and the same has been true for toom Baumarkt DIY stores since the beginning of 2025.

**Further links** 

Areas of action biodiversity >

Our guidelines 7

<sup>\*</sup> Scope: For the supply chains of REWE and PENNY's private label products in Germany. Deviations are explicitly stated.

<sup>&</sup>lt;sup>1</sup> Correction to previous year's reports during the course of the project, the number of hedges was changed from square meters to specimens. There was an error in the calculation formula, which has now been corrected. Significantly more hedges were planted than communicated in recent years.

<sup>&</sup>lt;sup>2</sup> New calculation basis since 2022: since the start of the project, representation of all flowering areas ever created or upgraded, i.e. perennial and annual flowering areas, some of which are not permanent. Approximately 6.8 million square meters will remain in 2024.

<sup>&</sup>lt;sup>3</sup> Scope: REWE and PENNY in Germany, as well as Lekkerland

# **Together for greater** animal welfare

We want to promote animal welfare. We take our responsibility seriously to contribute to the improvement of animal husbandry for products of animal origin.

#### Commitment

■ We are committed to maintaining and improving animal welfare standards and to improving animal welfare in agricultural animal husbandry.

# **Objectives**

- We want to anchor more animal welfare in our private level supply chains\* that include products of animal origin by the end of 2030 that is why we are converting 100 per cent of our fresh meat range<sup>1,2</sup> for pork, beef, chicken and turkey, as well as our drinking milk range, to at least husbandry system level 3.
- At the DERTOUR Group, we are adapting our portfolio to the requirements of the DERTOUR Group Animal Welfare guideline by 2025 in order to preserve and improve animal welfare in the habitats to which we provide travel services.

You can find more information on our objectives and their achievement in our overview of Objectives and KPIs.



<sup>\*</sup> Scope: For the supply chains of REWE and PENNY's private label products in Germany. Deviations are explicitly stated.

<sup>&</sup>lt;sup>1</sup> Self-service and service counter, including (regional) meat programmes <sup>2</sup> Including unprocessed frozen chicken

#### What we are doing specifically

We set clear requirements for suppliers, promote animal welfare through standards and our involvement in various initiatives, and want to transform the agricultural and meat industries, as well as the food retail sector, with innovative approaches.



We are committed to improving animal welfare standards, for example, as a founding member of Initiative Tierwohl (Initiative for Animal Welfare) in Germany. Every year, 753 million farm animals benefit from improved husbandry conditions. REWE and PENNY in Germany have been working since 2024 to make the five new levels of husbandry system labeling — from level 1 ("stable") to level 5 ("organic") — visible on their products nationwide in accordance with the state animal husbandry label.

We are committed to continuously improving the husbandry criteria beyond the objectives of husbandry system 3. Particularly with poultry, we ensure the use of slow-growing breeds and demand the implementation of  $\mathrm{CO}_2$  stunning in our fresh meat supply chains for poultry. We are currently developing our roadmap to achieve our 2030 objectives (see Objectives and KPIs).

By the end of 2024, all 372 REWE service counters in Bavaria stocked almost 100 per cent fresh meat  $^1$  from husbandry system levels 3, 4 and 5. REWE Nord has converted the poultry range at the service counter in almost all stores to at least husbandry system level 3.

1,800 We are constantly expanding our organic and regional product ranges (see focus topic <u>Organic and Regionalism</u>), as well as plant-based alternatives. REWE offers over 1,800 vegan private label and branded products.<sup>2</sup> In Austria, BILLA and BILLA PLUS offer a total of 1,792 purely plant-based private label products.<sup>3</sup> With its private label "Food for Future", PENNY has created a purely plant-based offering with about 180 items<sup>4</sup> in its product range.

We are completely converting our private label products in barn and free-range systems to gender determination inside hatching eggs (selection).<sup>5</sup>

We are pioneering. In our dual-purpose chicken project, launched in 2023 in the Southwest region, organic eggs come from chickens that are also raised for meat in order to avoid the killing of male chicks. In 2024, these organic eggs were tested for suitability for the REWE Bio brand at 111 REWE stores in Baden-Württemberg and the Palatinate. We are currently examining the establishment of a supply chain for young rooster meat, which is currently marketed by the producer Hönig Hof itself.

#### At the DERTOUR Group,

- we check providers for compliance with established animal welfare standards. A portfolio analysis was carried out in 2023.
   Based on the resulting risk profiles, 150 remote audits have been carried out on an ongoing basis since then. On-site audits are also planned.
- we are, for example, fighting against poaching in the Pilanesberg National Park in South Africa with the "Tiere für Tiere" (Animals for Animals) project using wildlife detection dogs.
- we have been supporting our project partner DEKAFOK, which is committed to protecting sea turtles in Turkey, since May 2023.



#### Animal welfare programmes with regional added value

We promote improved husbandry systems in Germany, Austria and France through our animal welfare programmes. In total, we have 30 programmes that offer added animal welfare in husbandry system levels 3, 4 and 5. Of these, 17 programmes have a regional focus, which also shortens transport routes.

# Our successes\*

#### What we have already achieved

We have already achieved a lot, but we are not stopping there. We continuously monitor the efficiency of our measures in order to anchor animal welfare in our supply chains and promote it at the holiday destinations of the DERTOUR Group.

16 For 16 years, we have been promoting animal welfare in our organic supply chains through our Partnership with Naturland.

We define minimum requirements for suppliers. For example, we refrain from goose and duck meat originating from production sites with live-plucking and force-feeding in Germany and Austria. At BILLA in Austria, for example, we guarantee more space and resting areas with straw, as well as GMO-free feed from Europe for our organic and "Fair zum Tier" (Fair to the Animal) product ranges.

At BILLA PLUS and BILLA in Austria, the entire fresh meat counter has been converted to animal welfare and thus meets either organic or at least the "Fair zum Tier" (Fair to the Animal) criteria, our symbol for more animal welfare than required by law.

100% 100 per cent of our drinking milk from pasture-fed animals<sup>6</sup> is certified by Pro Weideland, the animal welfare label "Für Mehr Tierschutz" (For More Animal Welfare) or Naturland.

Almost 100 per cent of our private label fresh pork comes from Germany (5xD<sup>7</sup>), and almost 100 per cent of our fresh milk comes from Germany and Austria. The REWE Group in Austria is the only food retailer in Austria that still offers fresh meat that comes 100 per cent from Austria at BILLA and BILLA PLUS.



The DERTOUR Group has completely removed elephant rides from its programme. We also support the "Chilis Against Elephants" project with the DERTOUR Foundation. Chili fences are used to mark out corridors for elephants to keep them away from the Maasai fields. This way, collisions between humans and animals can be avoided.



#### From the value chain to the appreciation chain

This is our vision for the transformation of agriculture. To implement these goals, we founded the Competence Center for Agriculture at the end of January 2023, a committee of agricultural experts from science, agriculture, and processing, which naturally also focuses on animal welfare. More information on this subject can be found in our focus topic <u>Organic</u> and Regionalism.

#### **Further links**

Areas of action animal welfare >

Guideline on animal welfare 7

<sup>\*</sup> Scope: For the supply chains of REWE and PENNY's private label products in Germany. Deviations are explicitly stated.

<sup>&</sup>lt;sup>1</sup> For beef, pork, chicken and turkey.

<sup>&</sup>lt;sup>2</sup> Without fruit and vegetables. Change in reporting for 2023 from 1,400 to over 1,800 articles due to a definition adjustment as part of our protein strategy.

<sup>3</sup> System updates allow us to access an improved database, leading to an adjustment and increase of the figures communicated in the previous year.

<sup>4 78</sup> items listed and about 100 items on offer.

<sup>5</sup> Except Spitz&Bube.

<sup>&</sup>lt;sup>6</sup> Pasture farming according to the criteria of the respective standards for REWE and PENNY Germany

<sup>&</sup>lt;sup>7</sup> Except organic, REWE "Feine Welt", Butcher's, foreign specialties, pork fillet, by-products.

# Focus on our employees

Committed and qualified employees are crucial to the success of our company. That is why their satisfaction, motivation and team spirit are important to us.

#### Commitment

- We want to guarantee our employees a non-discriminatory workplace regardless of origin, gender, age, sexual orientation, religion or disability and offer everyone the same opportunities.
- They should be able to balance work, family, and private life.
- We believe it is significant not only to maintain their health, but also to promote it.
- They should be able to develop professionally and personally.

# **Objectives**

By 2025, we want to

- achieve a balanced gender ratio in executive positions (executives and top management).
- increase the proportion of internal appointments to executive positions to 80 per cent.
- maintain the quota per capita of jobs held by disabled people at a minimum of three per cent.
- maintain or increase our trainee ratio of 5.4 per cent.
- reduce the number of accidents to 43.5 accidents per 1,000 full-time equivalents.

You can find more information on our objectives and their achievement in our overview of Objectives and KPIs.

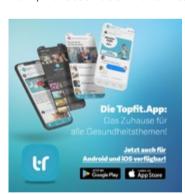


#### What we are doing specifically

We rely on strategic human resources management with employee-oriented work concepts, safe working conditions, tailor-made training programmes and appreciation for each and every individual.

1,200 We promote diversity. For example, in 2024, during Diversity Month in May and the Inclusion Days in December, as well as part of other events, we held the interactive Diversity Conference and Disability Awareness Sessions with a total of almost 1,000 participants. In our "Vielfalt" (diversity) network, employees from German sales lines are committed to promoting diversity and combating discrimination. In the women's network f.ernetzt, over 1,200 colleagues are currently exchanging ideas.

**85,000** Through our online platform and app "Gemeinsam.topfit" (Together in top shape), we currently offer about 85,000 registered employees with DAK access to health programmes, prevention courses, and advice. In 2024, the focus was on mental health and diabetes prevention.



Over 3,000 colleagues ordered a diabetes test kit. In addition, emphasis was placed on the stores for the first time. More than 4,000 employees received individual recommendations after a health check from the provider "mesana". The anonymous results are incorporated into our occupational health management system.

STEPs, our strengths-based development planning, went into regular operation in the administration in 2024. We will be testing new interview forms in stores, sales and logistics until April 2025. With the project "GO!" — Group Opportunities — we have been creating transparency about development opportunities within the REWE Group since 2024 through an internal job market.

**10,588** We offer 25 training options and guaranteed employment if the candidate performs well. 4,856 new apprentices joined us in 2024 (2023: 4,666). We are currently training 10,588 (2023: 10,395) young people in Germany.

The Federal Government's "Job Turbo" initiative aims to integrate refugees into the labour market more quickly. As a company with colleagues from more than 150 nations, we are committed to supporting this goal. Through close cooperation with the federal government, job centres, and pilot projects, we were able to employ more refugees, for example, in logistics and markets (Western Region). The proportion of our Ukrainian colleagues has almost doubled in the last year.



#### We are DITO (different together)

Our queer network DITO has been advocating for tolerance and acceptance of LGBTIQ+ people in the workplace for



eleven years. The constantly growing number of currently almost 500 members and over 1,200 social media followers take part in various meetings and the Christopher Street Days, among others. With DITO 2024, the REWE Group achieved the PRIDE Champion Seal in Gold for the third time in a row with 95.6 per cent (2023: 90). DITO was honoured with the Queer Network Award from the PROUT AT WORK Foundation for its LGBTIQ e-learning.

# Our successes\*

#### What we have already achieved

Just as diverse as our around 380,000 colleagues across Europe is our engagement to keeping them involved in the company and finding new talent in the long run. Our commitment is having an impact and is also being honoured.

#### Ten times top!

Our work and development environment were confirmed as outstanding for the tenth time in 2024 by the globally recognised Top Employers Institute. In the



certification programme, we were particularly successful in the categories of People Strategy, Work Environment, Employer Branding, Sustainability and Ethics & Integrity.

In 2024, we negotiated collective agreements in the wholesale and retail trade with wage increases of over ten per cent for 2023 and 2024. In addition, a tax- and social security-free inflation compensation bonus of 1,000 euros on a full-time basis was paid out, as well as an add-on payment in 2024, also as an inflation compensation bonus where possible. These bonuses were also paid to employees outside the collective agreement.

We are one of the most LGBTIQ+-friendly companies in Germany. This is confirmed by the "PRIDE Champion Gold" seal awarded for the third time in 2024 by the expert platform Uhlala Group to REWE and PENNY in Germany, as well as the REWE Group headquarters.



REWE and PENNY in Germany, the REWE Group headquarters and the REWE Group in Austria are certified according to the

"audit berufundfamilie" (careerandfamily audit). The quality seal stands for the sustainable organisation of a family- and life-phaseconscious personnel policy and family-friendly working and study conditions.

1,300 2024 was a year full of running. For example, the REWE Group participated in the B2Run corporate race with over 1,300 employees at seven locations, and about 350 colleagues took part in the Cologne Marathon. In Austria, 230 runners engaged in the "Wien Energie Business Run" and 200 employees got involved in the wings4life (online) run.



#### **Further links**

Code of Conduct of the REWE Group **↗** 

Diversity management and diversity charter **₹** 

Guideline on sustainable business practices **₹** 

Diversity >

Career 7

\* Scope: REWE Group in Germany, including independent retailers

# Together for social involvement

We see ourselves as a good corporate citizen — in other words, we take responsibility where we do business and where help is needed.

### Commitment

- We are committed to our responsibility to anchoring sustainability more and more firmly in society. To this end, we promote awareness of more sustainable consumption and responsible travel.
- Together with our partners, we are involved in local projects in the areas of action of conscious nutrition and exercise, opportunities for children and young people, conscious approach to food, biodiversity and environmental protection. We also help in acute emergency situations worldwide.



# **Our commitment 2024**

#### Which projects we have supported

With our sales lines, we support numerous projects in our four areas of action. The focus here is on the implementation of long-term and recurring measures.



REWE and PENNY have been supporting the 970 food banks of Tafel Deutschland e.V. in Germany since 1996 and 2007 respectively. As part of the "Tafel macht Zukunft" (Tafel is Making the Future) project, which aims to simplify the collection and distribution of food donations through digital solutions. The digital delivery note was expanded to 1,398 stores in 2024 (2023: 889).

**415,014** Our established "Gemeinsam Teller füllen!" (Filling Plates Together!) campaign at REWE and nahkauf in Germany collected 415,014 bags of donations¹ with long-life food worth nearly 2.08 million euros (2023: 423,304 bags¹ and 2.12 million euros) for local food banks in Germany.

Together with the food bank organisation Tafel Deutschland e.V. and industry partners, REWE in Germany provided 25 schools (2023: 24) and over 2,300 children (2023: 2,200) with nearly 460,000 (2023: 380,000) healthy breakfasts with the "Power Kiste" (power box). Over 5,100 children (2023: 2,000) at

39 schools (2023: 17) also received breakfast snacks with the "Power Kiste Light" (power box light).



#### The Inclusion Mobile is rolling

Since October 2024, the Inclusion Mobile has been touring Germany, a joint project of REWE, Aktion Mensch and the German Disabled Sports Association with para-athlete Niko Kappel as its ambassador. It allows children and young people with and without disabilities to participate in activities that aim to break down barriers, demonstrate the diversity of inclusive sport and promote equal cooperation.



**963,000** PENNY in Germany awarded 642 (2023: 700) regional "Förderpenny" prizes totalling 963,000 euros (2023: 987,500 euros) in 2024. Applications were received from 5,563 (2023: 5,400) organisations that are committed to supporting children and young people.<sup>2</sup>

In 2024, nahkauf in Germany supported the charity action "Ein Herz für Kinder" (a heart for children) of the association "Bild e.V." with a donation of 300,000 euros.

As part of our employee donation projects, we supported projects run by our partners food bank organisation Tafel Deutschland e.V., Little Homes, children's charity "Kindernothilfe" and DERTOUR Foundation in 2024.



REWE, together with Procter & Gamble and Aktion Mensch, has reached a special milestone with the project "Stück zum Glück" (Piece of Happiness) 2024: the donation target of three million euros. Through the joint initiative, more than 50 inclusive playground projects have been implemented since 2018.



From September to December 2024, the "Aufrunden, bitte!" (Round up, please!) initiative by the REWE Group in Austria and Caritas Austria dedicated all donations to the organization "Österreich hilft Österreich" (Austria helps Austria). Including BILLA tripling the round-up donations from customers at BILLA, BILLA PLUS, BIPA and PENNY in September, flood victims benefited from 156,780 euros. Of this amount, the REWE Group Austria corporate donation for flood victims amounts to 87,711 euros.

100 The DERTOUR Foundation initiated two new funding projects in 2024, bringing the total to 100 projects in 28 countries on five continents since it was founded in 2014. Its funding objectives include education for young people and women, as well as nature and animal protection.



Since 2019, toom Baumarkt DIY store has been supporting "Little Home Köln e.V." with building materials for mobile tiny houses for the homeless. 17 such houses were built in 2024 (2023: 12).

#### Club sports are important

In 2024, REWE in Germany launched the fifth round of its major project "Scheine für Vereine" (Vouchers for Sports Clubs), this year for the first time in cooperation with Aktion Mensch. Motto of the year: "Sport vereint" (Sports unites). Together with our ambassadors Thomas Müller and Jamal Musiala, we were able to support 23,444 amateur sports clubs (2023: 23,249).



#### **Further links**

Cooperations and awards >

Social Involvement >

<sup>&</sup>lt;sup>1</sup> The donation amount consists of the donation value of the campaign itself (2024: 1.8 million and 367,661 bags), as well as a subsequent increase in the number of bags plus a special donation by REWE. The figure for 2023 was accordingly also adjusted retroactively to the total amount.

<sup>&</sup>lt;sup>2</sup> While the voting winners received 1,500 euros and the runners-up 1,000 euros in 2023, only the voting winners received 1,500 euros and customer donations in 2024, but the number of neighbourhood regions was increased from 350 to 642. This change is intended to make donations more local and targeted.

